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FOR ACTION

# MEDIUM-TERM PLAN FOR THE PERIOD 1995-1998: FINANCIAL PLAN AND RELATED RECOMMENDATION

SUMMARY

The medium-term plan is a rolling four-year plan that is updated every two years, except for the financial plan, which is updated yearly. This year's medium-term plan contains only the financial medium-term plan for the period 1995-1998 and the related recommendation.

The major purpose of the plan is to enable the Executive Board to review the previous year's financial plan as well as the updated income projections. The plan also provides the Board with a basis for determining the level of programme submissions that should be prepared for its 1996 sessions.

The Executive Director recommends that the Executive Board approve the medium-term plan as a framework of projections for 1995-1998, including the preparation of up to $582 million in programme expenditures from general resources to be submitted to the Executive Board in 1996. The amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

* E/ICEF/1995/20.

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# I. FINANCIAL MEDIUM-TERM PLAN FOR 1995-1998

## A. The financial plan process

1. The financial plan is a framework of projections that, to satisfy the specific financial requirements of UNICEF, has four main purposes:

(a) To estimate future general resources and supplementary funds income;

(b) To plan affordable levels of general resources programme expenditures;

(c) To plan the budgetary estimates necessary to support programme expenditures;

(d) To maintain the liquidity requirement.

2. The financial plan projects income based on the results of the annual pledging conference, recent trends in contributions, the Programme Funding Office (PFO) fund-raising targets and the work plan of the Greeting Card and related Operations (GCO). Expenditures are based on the outstanding amounts of approved programmes plus estimated expenditures on future programmes. Programme and budget plans, implementation experience and available resources provide the basis for the yearly phasing of expenditures.

3. The Executive Board approves budgets for country programme cooperation and the administrative and programme support budget for financing from general resources. UNICEF has a biennial budget cycle; the Executive Board reviews the proposed administrative and programme support budget every two years. The Executive Board also reviews the proposed global funds programme budget biennially. UNICEF prepares estimates of country programme cooperation to cover a longer period, usually four to five years, according to the national planning cycles of the countries involved.

4. General resources programmes prepared for approval by the Executive Board at any given session are such that the resulting expenditures, in combination with previously approved expenditures, allow the most effective use of the resources estimated to be available in the following years.

5. Spending from supplementary funds, except in specific circumstances approved by the Executive Board, begins upon receipt of pledges for supplementary funds programmes previously approved by the Executive Board.

6. Actual amounts of income and expenditures can differ from the plan because:

(a) Income depends upon voluntary contributions;

(b) The rate of expenditures depends upon many factors, some of which are beyond the control of UNICEF;

(c) Fluctuation of rates of exchange, etc., adds considerable uncertainty to income and expenditure projections.

7. UNICEF does not have credit facilities to cover potential differences from planned income and expenditures. If general resources income is lower than estimated, the main regulators of expenditures are:

(a) The amounts of new programmes submitted to the Executive Board for approval;

(b) Reducing the existing administrative and programme support budget;

(c) Slowing spending on already approved programmes.

8. Since these regulators take time to carry out, UNICEF must maintain a certain amount of cash as a liquidity provision. In addition to providing a cushion for planning errors, the liquidity provision covers the cash flow imbalance that normally occurs in the first part of the year when disbursements exceed receipts. To meet this requirement, UNICEF liquidity policy recommends a year-end general resources convertible cash balance at least equal to 10 per cent of projected general resources income.

9. To manage the financial plan against uncertainties, UNICEF has a monthly financial monitoring system that reviews progress against the plan, identifies deviations and prompts corrective action as necessary. Furthermore, UNICEF revises the financial plan each year on a "rolling basis" to reflect the latest income estimates. UNICEF uses the revised estimates to update the annual expenditure phasing and to determine the level of estimated programme cooperation to be prepared for the following years.

10. The major purpose of the plan is to enable the Executive Board to review the performance of the previous year's financial plan and UNICEF updated income projections. The plan provides the Executive Board with a basis for deciding the total level of programme submissions that UNICEF should prepare for 1996 sessions.

## B. 1994 performance compared with the financial plan

11. Figure I below provides a comparison between the actual 1994 results, the planned 1994 financial activities and the prior year's results.

### Income

12. Total general resources income was $535 million. Although this was $3 million more than the medium-term plan, it should be noted that UNICEF benefited from the effect of the reduction in the value of the United States dollar in 1994. Had it not been for the decreased value of the United States dollar, total general resources income would have been less than planned.

13. General resources income from Governments for 1994 was $361 million. This was $10 million more than projected in the medium-term plan. During 1994, the United States dollar decreased in value compared to European currencies, which added an additional $13 million to government contributions compared to the plan. This additional income was reduced slightly by $3 million resulting from donors contributing less than expected in their local currencies.

14. General resources income from the private sector (National Committees for UNICEF, non-governmental organizations and GCO) was $129 million. This was $16 million less than projected in the medium-term plan.

15. Interest income of $18 million was $2 million more than in the plan. Other income of $27 million was the result of miscellaneous income of $22 million and a gain owing to foreign exchange movements of $5 million.

16. Total supplementary funds income was $471 million, $115 million more than in the plan. Regular contributions were $255 million, $54 million more than projected in the plan. Contributions for emergencies of $213 million exceeded the medium-term plan target by $58 million. The remaining additional $3 million compared to the medium-term plan was due to the effect of revaluing outstanding contributions receivable to current exchange rates. Contributions to emergencies included $59 million for Rwanda, $26 million for the Sudan, $24 million for Iraq, $21 million for former Yugoslavia, $16 million for Angola, $9 million for Kenya and $9 million for Somalia.

17. Total UNICEF income for 1994 was $1,006 million. This was the first time that UNICEF income exceeded $1 billion. Total income was $118 million more than the 1994 medium-term plan estimate owing to positive foreign exchange movements of about $32 million and additional income of about $86 million.

Expenditures

18. General resources programme expenditures in 1994 were $397 million. This was $29 million more than the planned level. Although a few field offices exceeded their programme budget allotments, this only partially explains the excess in expenditures compared to the plan. Since many field offices do not spend all of their annual allotments, the financial medium-term plan always assumes that there will be some under-implementation in general resources programmes. Therefore, the total of programme allotments issued to field offices for a given year always exceeds the expenditure level forecast in the financial medium-term plan for that year. In 1994, the level of implementation at field offices was greater than the level assumed in the 1994 financial medium-term plan, and this was the primary reason expenditures exceeded the planned level. Based on this experience, this year's financial plan has increased the assumed level of implementation to 93 per cent.

19. Administrative and programme support budget expenditures for 1994 were $195 million. This represents savings of $10 million compared to the financial medium-term plan.

20. Supplementary funds programme expenditures for the year were $404 million. This was $3 million less than the medium-term plan estimate.

21. Total expenditures in 1994, including write-off of pledges and other items, were $999 million, $27 million more than the medium-term plan amount.

Cash balances

22. The general resources convertible cash balance decreased by $36 million during 1994. This was expected since the 1994 financial medium-term plan sought

to reduce the cash balance by setting expenditure levels higher than the expected income level.

23. In addition to income and expenditures, movements in non-cash assets and liabilities on the balance sheet also affect year-end cash balances. Increases in assets reduce cash balances; increases in liabilities increase cash balances.

24. Contributions receivable are the largest non-cash asset on the UNICEF balance sheet. General resources contributions receivable decreased by $20 million in 1994. Supplementary funds contributions receivable decreased by $93 million, although most of this reduction was due to a change in an accounting policy as recommended by the Board of Auditors.

25. Inventories consist of the Supply Division warehouse and GCO stock. The Supply Division uses inventory to meet the requirements for standard supply and equipment items for UNICEF programmes and also for procurement services, particularly essential drugs. At the end of 1994, inventories totalled $53 million, representing an increase of $8 million.

26. Contributions for following years received in advance appears as a liability on the UNICEF balance sheet. As mentioned in paragraph 24 above, the Board of Auditors recommended that UNICEF change an accounting policy that affects contributions receivable and contributions for following years received in advance. As a result, the account for contributions for following years received in advance now only includes contributions that have been paid in advance (previously it also included contributions pledged but not paid for future years). The effect of this change resulted in a reduction in this account in 1994 of $92 million.

27. The net effect on general resources cash balances of all changes in non-cash assets and liabilities was to increase cash by $30 million. For supplementary funds, the net effect on cash balances of all changes in non-cash assets and liabilities was to decrease cash by $4 million.

28. The end-1994 general resources cash balance was $168 million. This was $2 million more than projected in the plan. The general resources cash balance consists of convertible currencies ($142 million) and non-convertible currencies ($26 million). The 1994 supplementary funds cash balance was $242 million, $102 million more than in the medium-term plan. Supplementary funds contributions exceeding planned levels were the primary cause of the increase in supplementary funds cash. The total cash balance (excluding special accounts for procurement services and other activities) was $410 million. This was $104 million more than the level forecast in the medium-term plan.

29. Although it appears that the general resources convertible cash balance exceeds the current liquidity requirement by $88 million, certain items should be noted. UNICEF is grateful that a major government donor has once again paid part of its 1995 contribution to general resources before year-end 1994. Since this payment, amounting to $73 million, belongs to 1995 income, the cash cannot be considered surplus as of the end of 1994. After this item is deducted, the available general resources convertible cash balance is $69 million, only $15 million more than the minimum liquidity guideline of $54 million.

## C. How UNICEF projects income

30. UNICEF uses income projections to plan and begin programme spending from general resources before receiving actual pledges. Using income projections enables the amount of planned expenditures for a year to be close to the amount of income received for a year. If UNICEF set programme planning levels after receiving income, expenditures would trail rather than match income. The result would be higher cash balances and a lower level of programme implementation.

31. The major source of income to general resources is contributions from Governments. In 1994, contributions from Governments were $361 million, or 67 per cent of income to general resources. Although many countries give to UNICEF, the top 20 donors account for 98 per cent of general resources income from Governments. Therefore, by estimating income for those 20 major donors, UNICEF can reasonably predict total income from Governments.

32. The results from the annual United Nations pledging conference are the initial source of information for the current year. In addition, some donors have announced their contribution since the pledging conference. When a donor does not pledge, UNICEF has to rely upon the donor's recent history of contributions and any information obtained from meetings and discussions with the donor.

33. To arrive at the forecast for future years, internal meetings are held to discuss recent trends i development aid and the global economic situation. The situation for each major donor is then discussed. PFO shares its views on the long-term income prospects for each of the major donors. By using this information and the donor's history of contributions, UNICEF calculates a moderate and high forecast for each major donor. These forecasts are totalled, with a lump sum forecast for all other countries, to arrive at the forecasts shown in the financial medium-term plan.

34. UNICEF uses the United States dollar as its currency for financial reporting. Most donors pledge and pay their contributions in their national currencies. This means that income projections are sensitive to changes in the value of the United States dollar. When the value of the dollar decreases, UNICEF income increases; and when the value of the dollar increases, UNICEF income decreases. Predicting long-term changes in the value of the United States dollar with any accuracy is extremely difficult and risky. Consequently, the financial medium-term plan does not try to predict United States dollar movement. UNICEF uses the official United Nations rate of exchange at the publication date of the financial medium-term plan to translate non-United States-dollar income projections into United States dollars.

## D. Financial plan for 1995-1998

35. A comparison of this year's financial medium-term plan to last year's plan is shown in table 1 below.

36. As a result of a reduced general resource income forecast, UNICEF is reducing planned general resources programme expenditures compared to last year's financial medium-term plan. However, supplementary funds contributions and programme expenditures are forecast to exceed the levels in last year's

plan. The planned decrease in general resources programme expenditures will be more than offset by the increased forecast of supplementary-funded programme activities. As a result, total planned programme expenditures for 1995 through 1997 are greater than in last year's financial medium-term plan.

Income projections for 1995-1998

37. Table 2 below shows income projections from various sources. These projections are set for planning purposes and do not imply a commitment by individual donors since all contributions to UNICEF are voluntary. They are in United States dollars using the June 1995 United Nations rates of exchange.

38. Table 2 shows the yearly projections of income for the period 1995-1998 as a range. The lower end of the range represents a moderate income growth projection. UNICEF uses this projection for determining the programme and budget expenditure levels presented in the medium-term plan. The higher end of the range represents the target level for UNICEF fund-raising efforts. If UNICEF achieves the higher levels of income, the programme spending levels contained in the medium-term plan would increase. Since the medium-term plan uses the lower end of the range to set spending levels, these are the income projections that appear in all the remaining tables and text in the present document.

39. The financial plan forecasts total income for 1995 of $991 million, 1 per cent less than 1994. The plan forecasts that total income will increase to $1,092 million by 1998, using an average annual growth rate of 2 per cent from 1994 to 1998. UNICEF actual average annual growth for the five years preceding the plan was 9 per cent.

General resources income

40. The financial plan forecasts total general resources income to be $544 million in 1995. This is $8 million less than forecast for 1995 in last year's financial medium-term plan. Total general resources income is forecast to grow by about 4 per cent in 1996, 5 per cent in 1997 and 6 per cent in 1997. The average forecasted rate of growth from 1994 through 1998 is about 4 per cent.

41. Table 5 below shows the various sources of general resources income. The breakdown is as follows:

(a) Government contributions. Several major donors have indicated that they will be able to maintain or increase at least slightly their contributions for 1995. However, some donors have indicated a likely significant reduction in their 1995 contributions to general resources. One major donor is changing its financial year and this adjustment will have a negative impact on income even though the donor is not actually reducing its contribution to UNICEF. Despite these difficulties, the forecast of income from Governments for 1995 of $366 million is $5 million more than UNICEF received in 1994. This is because UNICEF is still benefiting from the effect of the decreased value of the United States dollar. For the period 1995-1998, the financial plan forecasts an average annual growth of 3 per cent;

(b) Private sector contributions. The projections are a reflection of the current GCO work plan adjusted for the effects of the timing difference between GCO and UNICEF fiscal years. Details of the GCO work plan were given in document E/ICEF/1995/AB/L.8 and were discussed at the 1995 annual session of the Executive Board. Net GCO income includes income from the sale of GCO products and private sector fund-raising. The financial plan forecasts that UNICEF will record private sector income of $140 million in 1995 and that private sector income will increase to $185 million by 1998;

(c) Interest income. The financial plan forecasts that interest income will be $18 million a year throughout the medium-term plan period;

(d) Other income. Other income consists of gains/losses as a result of exchange rate movements and other miscellaneous items. Other miscellaneous income items are forecast to be $20 million a year throughout the plan period.

Supplementary funds income

42. UNICEF receives contributions for supplementary funds for programmes and for emergency relief. Table 2 shows the forecast of these contributions separately. As in last year's plan, the 1995 financial plan forecasts a decrease in contributions to emergencies with a corresponding increase in contributions to regular programmes. The financial plan forecasts regular programme contributions of $277 million for 1995. For the years 1995-1998, regular programme contributions are projected to increase at an average annual rate of 4 per cent, reaching $313 million in 1998. The financial plan assumes contributions for emergencies of $170 million for 1995, declining to $150 million by 1998.

Liquidity

43. To meet liquidity requirements, the UNICEF liquidity policy recommends a minimum year-end general resources convertible cash balance equal to 10 per cent of projected general resources income. Last year's financial plan set planned general resources expenditures at a level that would reduce the general resources convertible cash balance to the 10 per cent level by the end of 1995. This year's financial plan maintains that target.

44. There is no set minimum liquidity policy for supplementary funds. However, the historical average shows that the year-end supplementary funds cash balance has represented about six months of programme expenditures. The ratio of forecasted supplementary funds cash balances to planned supplementary funds expenditures in this financial medium-term plan is consistent with the historical average.

Projected programme expenditures

45. At the beginning of 1995, there was an unspent balance of approved general resources programme commitments of $748 million planned for implementation from 1995 through 1998.

46. General resources programmes proposed to the Executive Board in 1995 amount to $764 million. These programme recommendations are summarized in the programme "round up" document (E/ICEF/1995/P/L.10 and Add.1).

47. The plan provides for the preparation of $582 million of general resources programme proposals for the approval of the Executive Board in 1996. If future information about projected income shows levels different from the plan, the scale of programme preparation will be adjusted accordingly.

48. The 1995-1998 level of planned spending is in line with the goal of maximizing programme expenditures while maintaining general resources liquidity. The estimated yearly phasing of expenditures on approved, new and future programme recommendations is shown in table 3 below.

49. The plan proposes general resources programme expenditures of $354 million in 1995, $43 million less than in 1994. For 1996, general resources programme expenditures also are planned at $354 million. By 1997, UNICEF expects to be able to start increasing programme expenditures from general resources. Planned programme expenditures are $376 million for 1997 and $403 million for 1998.

50. Because of the reduced forecast in general resources, the yearly phasing of programme expenditures for previously approved programmes and new programmes to be approved by the Executive Board now exceed the affordable spending levels shown in the financial medium-term plan. This development requires a major downward adjustment in programme funds allocations and expenditure, especially in 1996 and 1997. Therefore, based on the moderate income projections, line 6 in table 3 shows the required spending reductions in approved levels to arrive at the affordable amount of programme expenditures shown in line 7.

51. Expenditures on a supplementary funds programme begin after a donor pledges its financial support to that programme. When UNICEF receives pledges or cash contributions for supplementary funds, often the entire amount is immediately recognized as income, although actual spending on the programme may occur over several years. As a result, estimated supplementary funds expenditures for a year cannot be equated with supplementary funds income of that year. The unspent balance of programme cooperation from supplementary funds was $491 million at the end of 1994. The financial plan uses projected implementation of the unspent balance and estimated future contributions as the basis to forecast expenditures for 1995-1998. The financial plan forecasts supplementary funds programme expenditures of $447 million for 1995 through 1998.

52. Total programme spending for 1995 and 1996 remains at the 1994 level of $801 million. The financial plan forecasts total programme expenditures to increase to $823 million in 1997 and $850 million in 1998. However, actual spending will depend on achieving the levels of contributions expected in the present plan.

Projected budget expenditures

53. The administrative and programme support budget for 1996-1997 is a baseline budget equal in amount to the 1994-1995 approved budget. The baseline budget

does not contain any proposals for the net addition of core and project posts charged to the budget. As authorized by the Executive Board at its first regular session of 1995, revisions to the 1996-1997 baseline budget will be submitted to the Executive Board as necessary during 1995, 1996 and 1997. These revisions will contain proposals for restructuring and process changes from recommendations in the management study proposals and a proposal for the establishment of a regional office for Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States to be approved by the Executive Board.

54. Under the direction of the Deputy Executive Director, Operations, and the Budget Planning and Review Committee, UNICEF will conduct a joint review of budgets and country programmes for all countries submitting full or short-duration "bridging" country programme proposals to the Executive Board in 1996. These reviews will cover budget proposals for the period of the country programme which, in most cases, would be 1997-2001. As a result of these reviews, essential changes to the 1996-1997 baseline budget will be submitted to the Executive Board through the Advisory Committee on Administrative and Budgetary Questions in 1996 and 1997 (E/ICEF/1995/9 (Part 1), decision 1995/6). The objective of this exercise is to establish an integrated budget policy and method that will increase transparency in the budget and reporting, improve accountability and maintain full correspondence between the budgets and country programme objectives.

Assets and liabilities

55. As explained in paragraph 23 above, movements in non-cash assets and liabilities affect year-end cash balances. Line 4 in tables 4, 5 and 6 below show the forecasted effect of these movements.

56. At its 1990 regular session, the Executive Board approved a capital asset fund to be used for field office accommodation and staff housing (E/ICEF/1990/13, decision 1990/26). At the end of 1994, $15 million remained to be spent from the fund. Planned spending from this fund is $4 million in 1995, $1 million in 1996, $1 million in 1997, $2 million in 1998 and $7 million beyond 1998.

57. All the above items - income, expenditure and liquidity - are summarized in table 4, with a breakdown of general resources in table 5 and supplementary funds in table 6. Figures II through V below show actual and forecasted financial information by source of fund and in total for the period 1989-1998. Figure VI below shows the elements of UNICEF actual and planned expenditures for the same period.

58. Although they are not included in UNICEF income and expenditure figures, special accounts for procurement services, transfers from programmes and other activities are a significant part of UNICEF operations. In 1994, disbursements from special accounts totalled $92 million. Table 7 below shows the amount of special account activity in 1994 and an estimate of activities during the medium-term plan period.

## II. RECOMMENDATION

59. The Executive Director recommends that the Executive Board approve the following draft recommendation:

The Executive Board

Approves the medium-term plan as a framework of projections for 1995-1998 (summarized in table 4 of document E/ICEF/1995/AB/L.13), including the preparation of up to $582 million in programme expenditures from general resources to be submitted to the Executive Board in 1996 (shown in table 3, item 3, of document E/ICEF/1995/AB/L.13). The amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

Table 1. UNICEF financial plan: changes from prior plan
(In millions of United States dollars)

| | 1994 | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|---|
| General resources income | | | | | |
| 1994 medium-term plan | 532 | 552 | 595 | 635 | n/a |
| 1995 medium-term plan | 535 | 544 | 564 | 592 | 629 |
| Change | 3 | - 8 | - 31 | - 43 | n/a |
| Percentage change | 1 | - 1 | - 5 | - 7 | n/a |
| General resources programme expenditures | | | | | |
| 1994 medium-term plan | 368 | 365 | 376 | 408 | n/a |
| 1995 medium-term plan | 397 | 354 | 354 | 376 | 403 |
| Change | 29 | - 11 | - 22 | - 32 | n/a |
| Percentage change | 8 | - 3 | - 6 | - 8 | n/a |
| General resources budget net of recovery | | | | | |
| 1994 medium-term plan | 197 | 203 | 206 | 214 | n/a |
| 1995 medium-term plan | 190 | 208 | 206 | 211 | 221 |
| Change | - 7 | 5 | 0 | - 3 | n/a |
| Percentage change | - 4 | 2 | 0 | - 1 | n/a |
| Supplementary funds income | | | | | |
| 1994 medium-term plan | 356 | 358 | 354 | 356 | n/a |
| 1995 medium-term plan | 471 | 447 | 436 | 440 | 463 |
| Change | 115 | 89 | 82 | 84 | n/a |
| Percentage change | 32 | 25 | 23 | 24 | n/a |
| Supplementary funds programme expenditures | | | | | |
| 1994 medium-term plan | 407 | 410 | 403 | 380 | n/a |
| 1995 medium-term plan | 404 | 447 | 447 | 447 | 447 |
| Change | - 3 | 37 | 44 | 67 | n/a |
| Percentage change | - 1 | 9 | 11 | 18 | n/a |
| Total income | | | | | |
| 1994 medium-term plan | 888 | 910 | 949 | 991 | n/a |
| 1995 medium-term plan | 1 006 | 991 | 1 000 | 1 032 | 1 092 |
| Change | 118 | 81 | 51 | 41 | n/a |
| Percentage change | 13 | 9 | 5 | 4 | n/a |
| Total programme expenditures | | | | | |
| 1994 medium-term plan | 775 | 775 | 779 | 788 | n/a |
| 1995 medium-term plan | 801 | 801 | 801 | 823 | 850 |
| Change | 26 | 26 | 22 | 35 | n/a |
| Percentage change | 3 | 3 | 3 | 4 | n/a |

Table 2. UNICEF income projections

(In millions of United States dollars)

| | Average % last 5 years | Actual 1993 | Actual 1994 | Plan 1995 | Plan 1996 a/ | Plan 1996 b/ | Plan 1997 a/ | Plan 1997 b/ | Plan 1998 a/ | Plan 1998 b/ |
|---|---|---|---|---|---|---|---|---|---|---|
| General resources | | | | | | | | | | |
| Governments | | 358 | 361 | 366 | 379 | 390 | 389 | 401 | 406 | 418 |
| Private sector | | 121 | 129 | 140 | 147 | 151 | 165 | 170 | 185 | 191 |
| Interest income | | 19 | 18 | 18 | 18 | 19 | 18 | 19 | 18 | 19 |
| Other income | | 11 | 27 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Total, General resources | | 509 | 535 | 544 | 564 | 580 | 592 | 610 | 629 | 648 |
| Growth (%) | 5 | - 7 | 5 | 2 | 4 | 7 | 5 | 5 | 6 | 6 |
| Supplementary funds | | | | | | | | | | |
| (a) Programmes | | | | | | | | | | |
| Governments | | 92 | 161 | 179 | 166 | 171 | 166 | 171 | 173 | 178 |
| Private sector | | 97 | 92 | 95 | 107 | 110 | 121 | 125 | 137 | 141 |
| United Nations | | 5 | 2 | 3 | 3 | 4 | 3 | 4 | 3 | 4 |
| Other income | | - 7 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal, Programmes | | 187 | 258 | 277 | 276 | 285 | 290 | 300 | 313 | 323 |
| Growth (%) | 9 | 1 | 38 | 7 | 0 | 3 | 5 | 5 | 8 | 8 |
| (b) Emergencies | | | | | | | | | | |
| Governments | | 89 | 137 | 115 | 110 | 120 | 100 | 110 | 100 | 110 |
| Private sector | | 37 | 58 | 37 | 35 | 37 | 35 | 37 | 35 | 37 |
| United Nations | | 44 | 18 | 18 | 15 | 17 | 15 | 17 | 15 | 17 |
| Subtotal, Emergencies | | 170 | 213 | 170 | 160 | 174 | 150 | 164 | 150 | 164 |
| Growth (%) | 40 | - 17 | 25 | - 20 | - 6 | 2 | - 6 | - 6 | 0 | 0 |
| Total, Supplementary funds | | 357 | 471 | 447 | 436 | 459 | 440 | 464 | 463 | 487 |
| Growth (%) | 15 | - 8 | 32 | - 5 | - 2 | 3 | 1 | 1 | 5 | 5 |
| Total income | | 866 | 1 006 | 991 | 1 000 | 1 039 | 1 032 | 1 074 | 1 092 | 1 135 |
| Growth (%) | 9 | - 7 | 16 | - 1 | 1 | 5 | 3 | 3 | 6 | 6 |

a/ These moderate income projections are used as the basis for determining programme and budget expenditure levels in the medium-term plan.

b/ These higher income levels are presented here as a target for UNICEF fund-raising efforts. If these levels of income are achieved, the programme expenditure levels contained in the medium-term plan would increase.

Table 3. General resources: yearly phasing of estimated expenditures
(In millions of United States dollars)

| | 1995 | 1996 | 1997 | 1998 | Beyond 1998 | Total recommendations |
|---|---|---|---|---|---|---|
| Programme recommendations | | | | | | |
| 1. Balances available from funds approved in prior years a/ | 401 | 127 | 71 | 55 | 28 | 682 |
| 2. Submitted to 1995 Executive Board sessions b/ | 46 | 238 | 193 | 101 | 186 | 764 |
| 3. To be prepared for 1996 Executive Board sessions | | 55 | 156 | 112 | 259 | 582 |
| 4. To be prepared for 1997 and future Executive Board sessions | | | 2 | 153 | 379 | 534 |
| 5. Implementation adjustment c/ | - 25 | - 25 | - 26 | - 28 | | |
| 6. Required spending adjustments to approved levels | - 68 | - 41 | - 20 | 10 | | |
| 7. Planned programme expenditures | 354 | 354 | 376 | 403 | | |
| Budget recommendations | | | | | | |
| 8. Approved at 1993 Executive Board | 218 | | | | | 218 |
| 9. Baseline budget for 1996-1997 | | 213 | 218 | | | 431 |
| 10. To be approved by Executive Board in 1997 | | | | 228 | | 228 |
| 11. Planned savings | - 3 | 0 | 0 | 0 | | |
| 12. Planned budget expenditures | 215 | 213 | 218 | 228 | | |
| Other items | | | | | | |
| 13. Supply warehouse recovery | - 7 | - 7 | - 7 | - 7 | | |
| 14. Write-offs and miscellaneous | 0 | 0 | 0 | 0 | | |
| 15. Total expenditures | 562 | 560 | 587 | 624 | | |

a/ These amounts are net of savings and cancellations of $16 million for 1996, $18 million for 1997, $3 million in 1998 and $29 million beyond 1998.

b/ For programme descriptions, see table 3 in E/ICEF/1995/P/L.10/Add.1.

c/ The financial plan assumes that on a global basis, there will be an implementation rate of about 93 per cent on approved levels. The remaining 7 per cent is shown here.

Table 4. UNICEF financial plan: summary (general resources and supplementary funds)

(In millions of United States dollars)

| | Actual | | Plan | | | |
|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Income | 866 | 1 006 | 991 | 1 000 | 1 032 | 1 092 |
| Growth (%) | 7 | 16 | -1 | 1 | 3 | 6 |
| 2. Expenditures | | | | | | |
| (a) Country programmes a/ | 715 | 725 | 716 | 721 | 743 | 770 |
| Global programmes - HQ | 34 | 29 | 26 | 24 | 24 | 24 |
| Global programmes - field | 55 | 47 | 59 | 56 | 56 | 56 |
| Total programmes | 804 | 801 | 801 | 801 | 823 | 850 |
| Growth (%) | 36 | 0 | 0 | 0 | 3 | 3 |
| (b) Budget expenditure | 187 | 195 | 215 | 213 | 218 | 228 |
| Supply warehouse recovery | -7 | -5 | -7 | -7 | -7 | -7 |
| Budget less recovery | 180 | 190 | 208 | 206 | 211 | 221 |
| Growth (%) | 12 | 6 | 9 | -1 | 2 | 5 |
| (c) Write-offs and miscellaneous | 13 | 8 | 0 | 0 | 0 | 0 |
| Total expenditures | 997 | 999 | 1 009 | 1 007 | 1 034 | 1 071 |
| Growth (%) | 32 | 0 | 1 | 0 | 3 | 4 |
| 3. Income less expenditures | -131 | 7 | -18 | -7 | -2 | 21 |
| 4. Movements non-cash assets/liabilities | 59 | 26 | -13 | 0 | 6 | -18 |
| 5. Year-end cash balance | | | | | | |
| (a) Convertible currencies | 362 | 384 | 359 | 352 | 356 | 359 |
| (b) Non-convertible currencies | 15 | 26 | 20 | 20 | 20 | 20 |
| Total cash balance | 377 | 410 | 379 | 372 | 376 | 379 |

a/ Includes regional and subregional programmes.

Table 5. UNICEF financial plan: general resources

(In millions of United States dollars)

| | Actual | | Plan | | | |
|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Income | 509 | 535 | 544 | 564 | 592 | 629 |
| Growth (%) | 1 | 5 | 2 | 4 | 5 | 6 |
| 2. Expenditures | | | | | | |
| (a) Country programmes | 347 | 343 | 299 | 304 | 326 | 353 |
| Global programmes - HQ | 31 | 25 | 22 | 20 | 20 | 20 |
| Global programmes - field | 35 | 29 | 33 | 30 | 30 | 30 |
| Total programmes | 413 | 397 | 354 | 354 | 376 | 403 |
| Growth (%) | 30 | - 4 | - 11 | 0 | 6 | 7 |
| (b) Budget expenditure | 187 | 195 | 215 | 213 | 218 | 228 |
| Supply warehouse recovery | - 7 | - 5 | - 7 | - 7 | - 7 | - 7 |
| Budget less recovery | 180 | 190 | 208 | 206 | 211 | 221 |
| Growth (%) | 12 | 6 | 9 | - 1 | 2 | 5 |
| (c) Write-offs and miscellaneous | 3 | 3 | 0 | 0 | 0 | 0 |
| Total expenditures | 596 | 590 | 562 | 560 | 587 | 624 |
| Growth (%) | 24 | - 1 | - 5 | 0 | 5 | 6 |
| 3. Income less expenditures | - 87 | - 55 | - 18 | 4 | 5 | 5 |
| 4. Movements non-cash assets/liabilities | - 3 | 30 | - 1 | - 1 | - 1 | - 2 |
| 5. Year-end cash balance | | | | | | |
| (a) Convertible currencies | 178 | 142 | 129 | 132 | 136 | 139 |
| (b) Non-convertible currencies | 15 | 26 | 20 | 20 | 20 | 20 |
| Total cash balance | 193 | 168 | 149 | 152 | 156 | 159 |
| Liquidity guideline compared to year-end cash balance: | | | | | | |
| (a) Liquidity guideline | 54 | 54 | 56 | 59 | 63 | 66 |
| (b) Convertible currency balance net of future year contributions received in advance | 105 | 69 | 56 | 59 | 63 | 66 |

Table 6. UNICEF financial plan: supplementary funds

(In millions of United States dollars)

| | Actual | | Plan | | | |
|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Income | 357 | 471 | 447 | 436 | 440 | 463 |
| Growth (%) | 19 | 32 | - 5 | - 2 | 1 | 5 |
| 2. Expenditures | | | | | | |
| (a) Country programmes | 368 | 382 | 417 | 417 | 417 | 417 |
| Global programmes - HQ | 3 | 4 | 4 | 4 | 4 | 4 |
| Global programmes - field | 20 | 18 | 26 | 26 | 26 | 26 |
| Total programmes | 391 | 404 | 447 | 447 | 447 | 447 |
| Growth (%) | 43 | 3 | 11 | 0 | 0 | 0 |
| (b) Write-offs and miscellaneous | 10 | 5 | 0 | 0 | 0 | 0 |
| Total expenditures | 401 | 409 | 447 | 447 | 447 | 447 |
| Growth (%) | 46 | 2 | 9 | 0 | 0 | 0 |
| 3. Income less expenditures | - 44 | 62 | 0 | - 11 | - 7 | 16 |
| 4. Movements non-cash assets/liabilities | 62 | - 4 | - 12 | 1 | 7 | - 16 |
| 5. Year-end cash balance | | | | | | |
| (a) Convertible currencies | 184 | 242 | 230 | 220 | 220 | 220 |
| (b) Non-convertible currencies | 0 | 0 | 0 | 0 | 0 | 0 |
| Total cash balance | 184 | 242 | 230 | 220 | 220 | 220 |

Table 7. UNICEF financial plan: special accounts

(In millions of United States dollars)

| | | Actual | | | Plan | | |
|---|---|---|---|---|---|---|---|
| | | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. | Opening balance special accounts | | | | | | |
| | For procurement services | 39 | 53 | 57 | 60 | 57 | 54 |
| | With programme link | 4 | 2 | 0 | 0 | 0 | 0 |
| | For other activities | 7 | 9 | 11 | 11 | 11 | 11 |
| | Total | 50 | 64 | 68 | 71 | 68 | 65 |
| 2. | Funds pledged/received | | | | | | |
| | Procurement services | 92 | 93 | 97 | 102 | 107 | 112 |
| | With programme link | 13 | 4 | 3 | 3 | 3 | 3 |
| | Other activities | 10 | 8 | 6 | 6 | 6 | 6 |
| | Total | 115 | 105 | 106 | 111 | 116 | 121 |
| 3. | Disbursements | | | | | | |
| | Procurement services | 71 | 83 | 85 | 95 | 100 | 105 |
| | With programme link | 15 | 3 | 3 | 3 | 3 | 3 |
| | Other activities | 8 | 6 | 6 | 6 | 6 | 6 |
| | Total | 94 | 92 | 94 | 104 | 109 | 114 |
| 4. | Funds returned | | | | | | |
| | Procurement services | 7 | 6 | 9 | 10 | 10 | 10 |
| | With programme link | 0 | 3 | 0 | 0 | 0 | 0 |
| | Other activities | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 7 | 9 | 9 | 10 | 10 | 10 |
| 5. | End balance special accounts: | | | | | | |
| | Procurement services | 53 | 57 | 60 | 57 | 54 | 51 |
| | With programme link | 2 | 0 | 0 | 0 | 0 | 0 |
| | Other activities | 9 | 11 | 11 | 11 | 11 | 11 |
| | Total | 64 | 68 | 71 | 68 | 65 | 62 |

Figure I

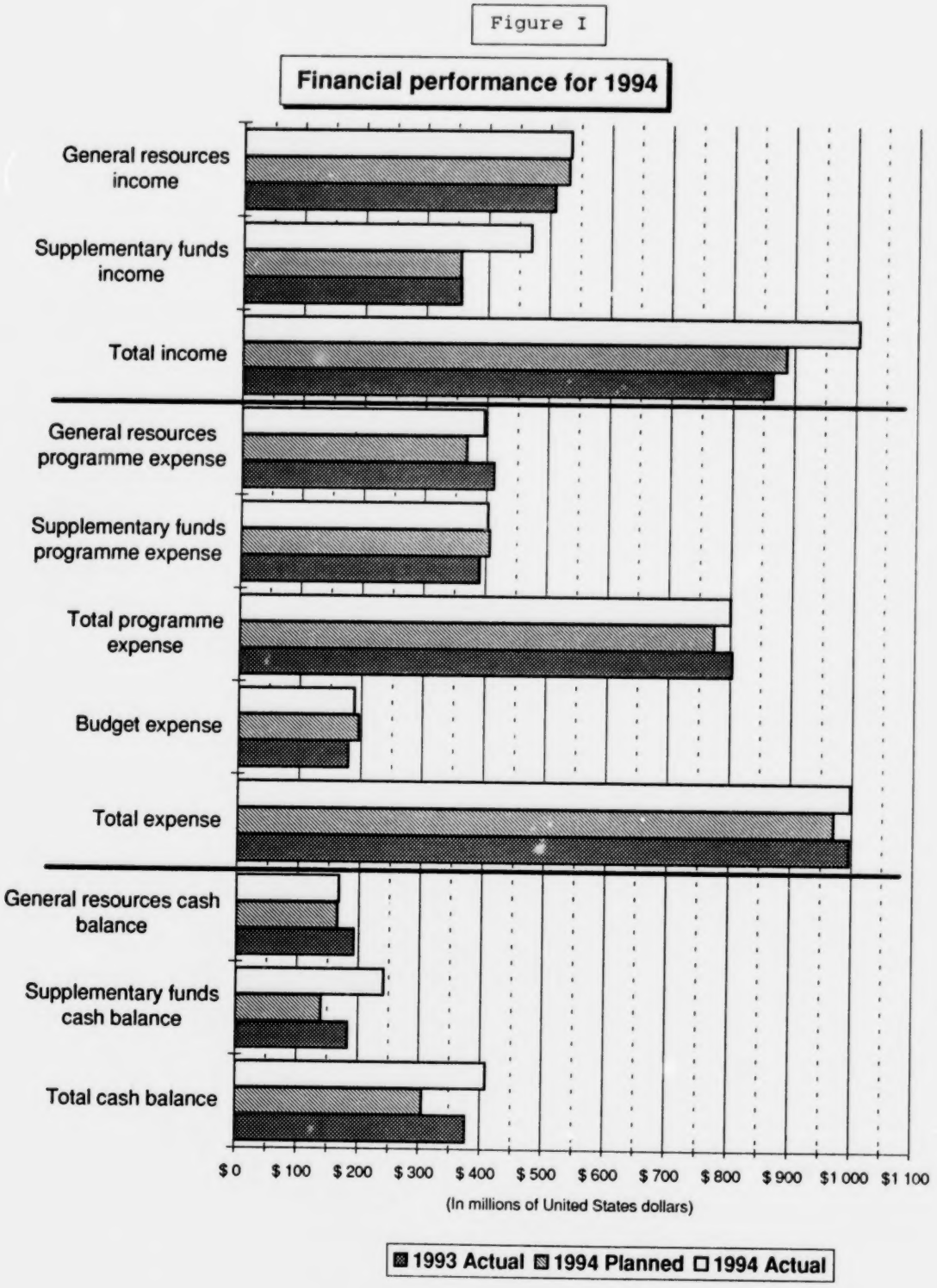

Financial performance for 1994
General resources income
Supplementary funds income
Total income
General resources programme expense
Supplementary funds programme expense
Total programme expense
Budget expense
Total expense
General resources cash balance
Supplementary funds cash balance
Total cash balance
$0
$100
$200
$300
$400
$500
$600
$700
$800
$900
$1 000
$1 100
(In millions of United States dollars)
1993 Actual
1994 Planned
1994 Actual

Figure II

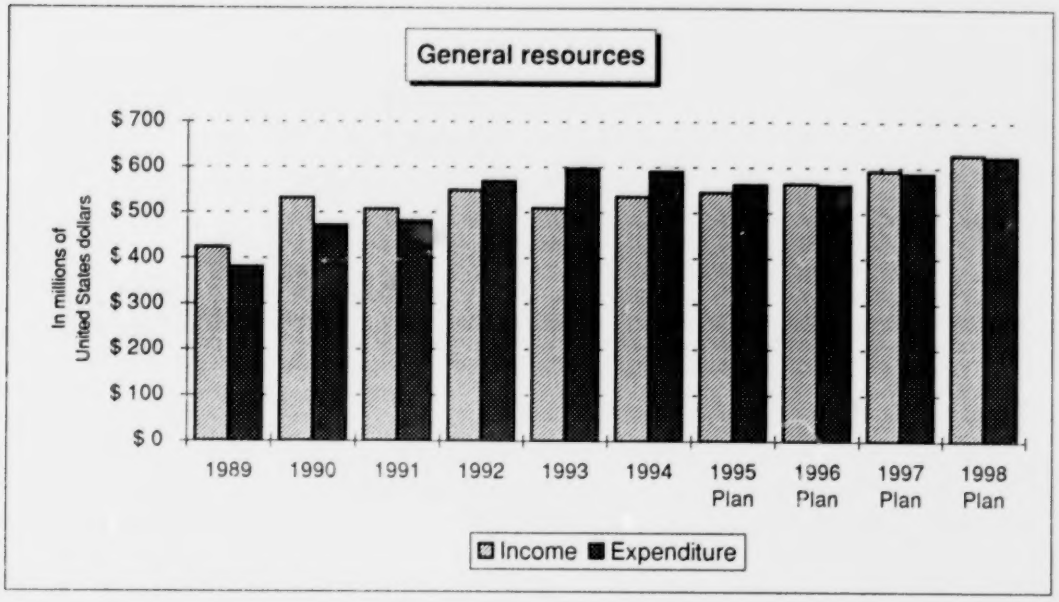



Figure III

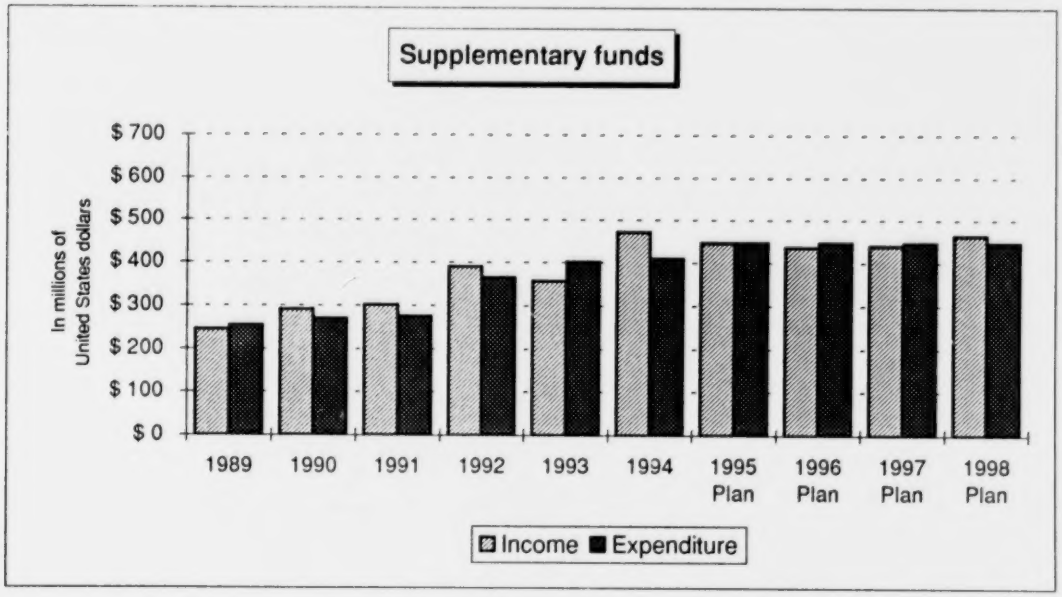


Figure IV

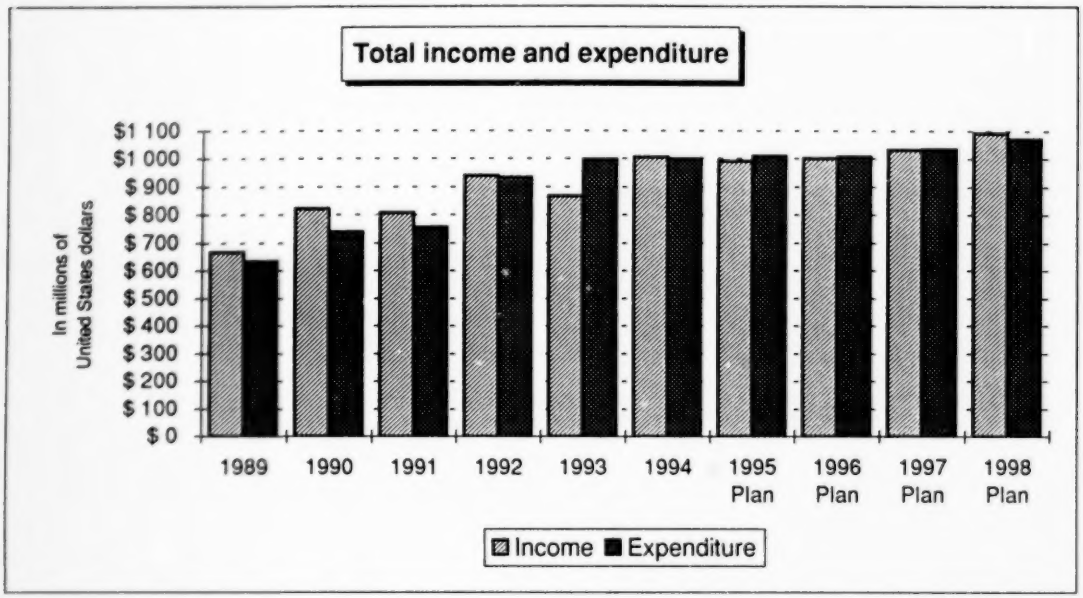



Figure V

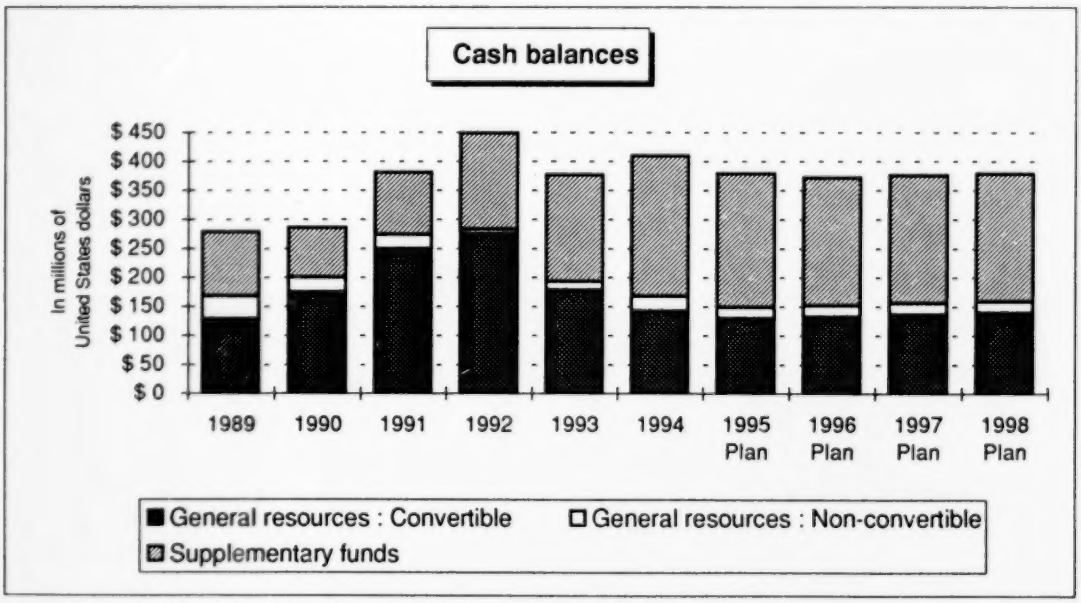
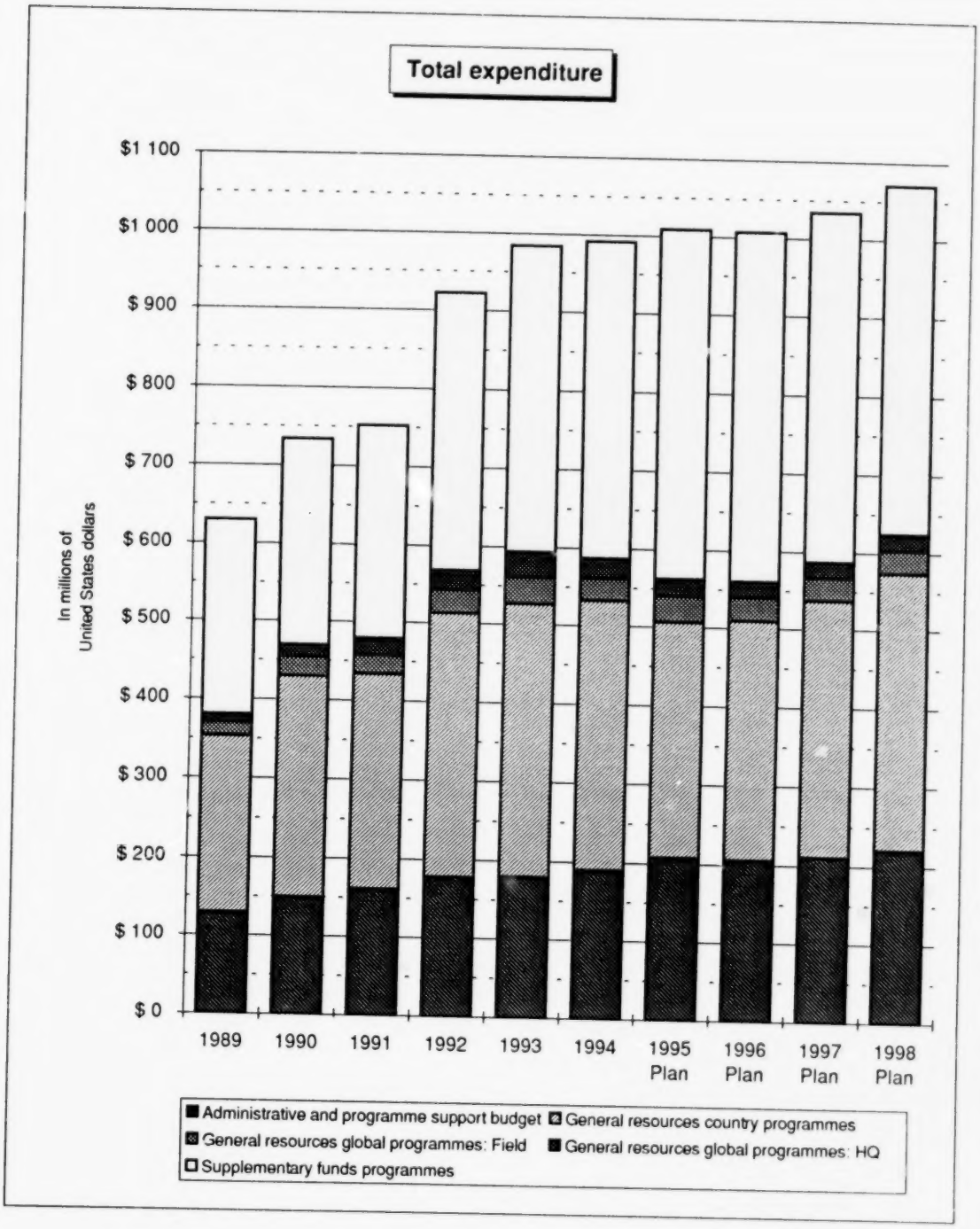


Figure VI


Total expenditure
In millions of United States dollars
$1 100
$1 000
$ 900
$ 800
$ 700
$ 600
$ 500
$ 400
$ 300
$ 200
$ 100
$ 0
1989
1990
1991
1992
1993
1994
1995 Plan
1996 Plan
1997 Plan
1998 Plan
Administrative and programme support budget
General resources country programmes
General resources global programmes: Field
General resources global programmes: HQ
Supplementary funds programmes

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